

AMENDED IN SENATE APRIL 20, 2015

AMENDED IN SENATE APRIL 7, 2015

SENATE BILL

No. 296

Introduced by Senator Cannella

February 23, 2015

An act to add Section 14727 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 296, as amended, Cannella. Medi-Cal: specialty mental health services: documentation requirements.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services, including specialty mental health services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. In order to facilitate the receipt of medically necessary specialty mental health services by a foster child who is placed outside of his or her county of original jurisdiction, existing law requires the department to create a standardized set of documentation standards and forms.

This bill would require the department, in consultation with specified stakeholders, to develop a single set of service *billing* documentation requirements for the provision of specialty mental health services by January 1, 2017, for use commencing July 1, 2017, and would require the department to update the *billing* documentation requirements no less than every 2 years. The bill would generally prohibit counties from requiring additional *billing* documentation requirements for Medi-Cal specialty mental health services that go beyond the *billing* documentation requirements developed by the department.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Counties and private providers that contract for service
4 delivery estimate that over 40 cents out of every dollar spent on
5 Medi-Cal mental health services goes to paperwork to document
6 that the services meet federal billing standards and to avoid
7 potential state audit disallowances.

8 (b) A national expert reviewed what counties in California were
9 requiring of providers and noted that it took 20 minutes of
10 documentation to prepare progress notes for a single session of
11 psychotherapy, as compared to an estimated five minutes in other
12 states.

13 (c) State guidelines on billing are not significantly different
14 from the requirements of other states, however, counties have
15 added other documentation requirements based on the fear that
16 interpretations of the guidelines during audits may result in some
17 services being disallowed if the additional documentation is not
18 included.

19 (d) In order to eliminate this pattern, it is necessary for the State
20 Department of Health Care Services to develop a single set of
21 documentation requirements, in consultation with counties and
22 providers, that limits audit disallowances to circumstances clearly
23 spelled out in the requirements.

24 SEC. 2. Section 14727 is added to the Welfare and Institutions
25 Code, immediately following Section 14726, to read:

26 14727. (a) The State Department of Health Care Services shall
27 consult with counties, providers, ~~national experts, other states,~~ and
28 other stakeholders to develop a single set of service *billing*
29 documentation requirements for the provision of specialty mental
30 health services.

31 (b) The *billing* documentation requirements developed pursuant
32 to this section shall do ~~all~~ *both* of the following:

33 (1) Minimize time and paperwork required of counties and
34 providers, consistent with federal ~~standards and practices of other~~
35 ~~states:~~ *standards.*

1 (2) Eliminate duplicative or outdated requirements.

2 ~~(3) Reflect outcome reporting requirements developed pursuant~~
3 ~~to the performance outcome system for Early and Periodic~~
4 ~~Screening, Diagnosis, and Treatment mental health services~~
5 ~~developed pursuant to Section 14707.5.~~

6 (c) The *billing* documentation requirements shall be completed
7 by January 1, 2017, for use commencing on July 1, 2017, and shall
8 thereafter be updated no less than every two years through a
9 stakeholder process, unless changes in the ~~state Medi-Cal~~ *Medicaid*
10 *state* plan or other federal rules require that the *billing* requirements
11 be updated more often.

12 (d) After adoption of the standard *billing* requirements by the
13 department, a county may not require additional *billing*
14 documentation for Medi-Cal specialty mental health services that
15 go beyond these requirements unless necessary for funding from
16 other funding sources that are also used to pay for the ~~services.~~
17 *services, or for purposes other than documentation for billing.*